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New Mexico Field Office

Weekly Ag Update

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Weather Summary Agricultural Prices Hogs & Pigs Livestock Outlook

Available on the Internet: www.nass.usda.gov/nm , or by e-mail (1-800-530-8810 for information)

WEATHER SUMMARY

A major winter storm impacted the state during the latter part of the week, with very heavy snowfall over the north and central sections. Snowfalls totals reached 24 to 48 inches at locations over the corridor from near Albuquerque to Clayton. Wind-blown snow produced some drifts greater than 10 feet in the northeast. The second half of the week was also very cold, but the weekly averages were generally just a few degrees below normal because of the warmth early in the week. The statewide average was between 3 and 4 degrees below normal.

NEW MEXICO WEATHER CONDITIONS - December 25, 2006 - December 31, 2006

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	12/25 12/31	12/01 12/31	01/01 12/31	Normal Jan-Dec	Normal Dec
Farmington	31.2	49	13	0.36	0.74	9.03	8.62	0.50
Gallup	31.1	54	10	0.20	0.43	13.37	12.87	0.96
Capulin	24.6	49	2	2.27	3.26	18.28	17.42	0.48
Chama	25.5	45	-1	0.00	1.10	21.40	21.61	1.80
Johnson Ranch	24.5	48	-6	0.91	1.40	12.87	11.52	0.67
Las Vegas	31.6	57	10	0.48	0.81	17.04	19.04	0.68
Los Alamos	28.9	49	12	1.18	1.66	14.94	18.72	1.08
Raton	28.1	56	4	0.05	0.55	13.61	16.80	0.58
Red River	24.1	44	-5	1.23	2.57	24.00	20.49	1.16
Santa Fe	27.9	49	7	1.62	1.72	16.19	13.98	0.77
Clayton	33.6	65	15	1.97	2.54	16.49	15.09	0.29
Clovis	38.1	70	20	1.16	1.74	15.68	17.51	0.54
Roy	32.9	61	12	0.06	0.44	15.31	15.74	0.45
Tucumcari	37.4	69	13	1.19	1.51	16.94	14.17	0.27
Grants	20.7	51	-8	0.35	1.35	13.35	10.80	0.66
Quemado	25.2	56	-3	0.23	0.46	13.19	14.06	1.02
Albuquerque	31.4	51	8	1.13	1.50	13.06	8.88	0.50
Carrizozo	33.1	61	14	0.40	0.40	12.99	12.83	0.76
Socorro	32.7	59	15	0.32	0.84	14.51	9.53	0.58
Gran Quivera	31.9	56	3	0.09	0.19	18.00	16.02	1.10
Moriarty	27.1	55	1	1.64	1.79	15.76	12.71	0.54
Ruidoso	30.9	60	6	0.80	0.82	32.33	21.35	1.63
Carlsbad	43.1	78	24	0.00	0.23	12.97	12.79	0.41
Roswell	37.6	72	20	0.12	0.19	15.90	12.93	0.55
Tatum	38.7	73	24	0.55	1.19	21.08	16.05	0.48
Alamogordo	40.6	64	25	0.27	0.54	16.59	12.74	0.82
Animas	41.1	70	20	0.15	0.45	13.04	11.70	1.08
Deming	36.3	63	13	0.05	0.13	12.60	10.58	0.85
Las Cruces	40.2	67	24	0.00	0.12	14.14	9.40	0.68
T or C	36.9	61	22	0.00	0.31	11.37	10.29	1.07

(T) Trace (-) No Report (*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

AGRICULTURAL PRICES RECEIVED

NEW MEXICO: Alfalfa hay prices for December remained steady with the previous month's price of \$172.00 per ton. All Hay prices also remained steady from November to December at \$170.00 per ton. Cow prices dropped by 20 cents from the November price of \$40.80 per hundredweight to \$40.60 in December. This was \$2.30 below the U.S. national average price of \$42.90. Steer and heifer prices decreased by \$1.00 from November to the December price of \$96.00 per hundredweight. The December price was well above the national average price of \$89.20. Calf prices in December averaged \$108.00 per hundredweight compared to \$114.00 in November. Milk prices increased by 30 cents from \$13.50 per hundredweight in November to \$13.80.

Prices Received by Farmers: Selected Commodities, November 2006 and December 2005-06

Commodity	Unit	New Mexico			U.S. ^{1/}
		Dec. 2005 ^{2/}	Nov. 2006 ^{2/}	Dec. 2006 ^{1/}	Dec.
		-----Dollars-----			
CROPS					
Grain Sorghum	Cwt.	—	—	—	6.05
Cotton, Upland	Lb.	—	—	—	.479
Potatoes	Cwt.	—	—	—	7.22
Hay, all baled	Ton	120.00	170.00	170.00	108.00
Alfalfa, baled	Ton	123.00	172.00	172.00	112.00
Peanuts	Lb.	—	—	—	.178
Corn	Bu.	—	—	—	3.01
Wheat, All	Bu.	—	—	—	4.59
LIVESTOCK					
Sheep ^{3/}	Cwt.	—	—	—	30.90
Lambs ^{3/}	Cwt.	—	—	—	95.00
Cows	Cwt.	47.20	40.80	40.60	42.90
Steers & Heifers	Cwt.	114.00	97.00	96.00	89.20
Calves	Cwt.	129.00	114.00	108.00	115.00
Milk	Cwt.	14.00	13.50	13.80	14.20

^{1/} Mid-month ^{2/} Entire month ^{3/} November - entire month

NATIONAL HOG REPORT

NEW MEXICO: Hog inventory for the state for 2006 remained steady at 2,000 head, with the 2005 inventory. Hogs kept for breeding in 2006 remained at 200 head. Market hog inventory held steady at 1,800 head. Pigs per litter in 2006 averaged 8.5 compared to the national average of 9.1.

UNITED STATES: U.S. inventory of all hogs and pigs on December 1, 2006 was 62.1 million head. This was up 1 percent from December 1, 2005, but down 1 percent from September 1, 2006. Breeding inventory, at 6.09 million head, was up 1 percent from last year and up slightly from the previous quarter. Market hog inventory, at 56.1 million head, was up 1 percent from last year, but down 1 percent from last quarter.

Hogs & Pigs: December 1, Inventory, Sows Farrowing, and Pig Crop, New Mexico and U.S., 2005-2006

	NEW MEXICO		UNITED STATES	
	2005	2006	2005	2006
	-----1,000 Head-----			
December 1 Inventory				
Kept for breeding	.2	.2	6,011	6,088
Market	1.8	1.8	55,438	56,061
All hogs and pigs	2.0	2.0	61,449	62,149
Market hogs and pigs by				
Under 60 pounds	0.5	0.5	20,055	20,334
60-119 pounds	0.5	0.5	13,524	13,603
120-170 pounds	0.5	0.5	11,293	11,544
180 pounds and over	0.3	0.3	10,567	10,580
Sows Farrowing				
Dec-Nov ^{1/}	.40	.40	11,535	11,590
	-----Number-----			
Pigs Per Litter				
Dec-Nov ^{1/}	8.50	8.50	9.01	9.10

^{1/} December preceding year.

Livestock Outlook

USDA, ERS, December 18, 2006

Corn Demand, Dry Conditions, and Balky Trade Adversely Affecting Cattle/Beef Sector

Both grain and forage prices are higher this year than they were at the same time a year ago. November alfalfa prices are up by 11 percent over November 2005 prices, other hay prices are up by 23 percent, and November corn prices are up by about 76 percent from a year ago. Higher hay and corn prices translate into higher feeding costs for the livestock and poultry sectors. The first significant snowstorm of the season and a widespread lack of standing forage have raised concern about current hay stocks. As a result, cows continue to be marketed in large numbers, which will likely slow the current cattle inventory expansion. Hay stocks for December 1, 2006, will be reported in the January *Crop Production* report.

The situation with respect to corn now is different than the situation that existed in 1995/96. Then, drought had temporarily driven grain prices higher, and, as harvest proceeded, prices came down. The present situation, with continued calls for expanding ethanol production, appears longer term, and prices have increased dramatically through the harvest of what is potentially the third-largest corn crop on record. As corn prices increase, the whole livestock feeding complex will have to make longer-term adjustments that in turn will affect other grains and feeds.

Fed cattle producers may be better able to adapt to higher corn prices than poultry or pork producers because cattle are better able to use distiller's grains, a co-product of the ethanol manufacturing process, both because of nutritional reasons and because they tend to be concentrated in large feedlots in relative proximity to ethanol plants. Increasing the percentage of distiller's grains in cattle rations can offset some of the increased cost of energy in the rations. The amount of corn needed to finish cattle can also be reduced by placing feeder cattle on feed at heavier weights and feeding them for shorter periods. This means heavier feeder cattle might be fed to heavier market weights, although on feed for shorter periods. Were this to happen, it could also mean more beef produced per head and, as the expansion in cattle inventories continues, more total beef might be produced. This would be tempered somewhat by fewer heifers going to feedlots as more are retained for cow-herd building. In addition, as feeder cattle spend more time on pasture and grow to heavier weights before entering feedlots, forage supplies could become tighter.

There is also a tendency for veal calf slaughter to increase as pasture conditions deteriorate. Monthly calf slaughter has been at or above 2005 levels since May 2006. Veal production surpassed year-earlier levels in March, August, and October, and veal production for October 2006 is 12 percent above October 2005 production.